

## **FISCAL NOTE**

### **SB 2875 - HB 3457**

February 7, 2004

#### **SUMMARY OF BILL:**

- requires the Commissioner of Personnel to develop a plan for an improved compensation system which recognizes each state employee's classification responsibilities, training and experience levels.
- requires an annual survey of rates of pay for similar functions performed in the private sector and in surrounding southeastern state governments as well as federal, local and county governments within Tennessee.
- requires the Commissioner of Personnel to report progress in designing and implementing this structure and to make recommendations, no later than February 1, 2005, to the Speakers of the House and Senate and the Chairs of the House and Senate Finance, Ways and Means Committees regarding the structure.

#### **ESTIMATED FISCAL IMPACT:**


**Increase State Expenditures - \$684,900 FY05 and FY06  
\$318,000 One-Time**

Estimate assumes:

- an increase in state expenditures of \$684,900 for FY05 and FY06 and a one-time cost of \$18,000 for equipment to the Department of Personnel for 12 positions and related expenses for technical services to develop and conduct a salary survey.
- a one-time increase in expenditures for consultant services of approximately \$300,000. (This estimate is based on the cost for developing and conducting a comprehensive salary survey of \$200,000 in FY95-96, plus inflation).
- the cost to develop and conduct a salary survey but does not include costs to actually implement the salary plan.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director